United Nations A/69/390

General Assembly

Distr.: General
18 September 2014

Original: English

Sixty-ninth session
Items 122, 130 and 132 of the provisional agenda*

United Nations reform: measures and proposals

Review of the efficiency of the administrative and financial functioning of the United Nations

Programme planning

Letter dated 12 September 2014 from the Permanent Representative of Switzerland to the United Nations addressed to the Secretary-General

On behalf of Australia, Mexico, Nigeria, Peru, Poland, Saudi Arabia, South Africa, Switzerland and Thailand, I have the honour to transmit herewith the executive summary of an independent expert panel report entitled "Because process matters: groundwork for a reform of planning and budgeting at the United Nations" (see annex). The report is the result of our countries' common endeavour to improve the United Nations programme planning and budgetary process — a process which, in our view, is cumbersome, time-consuming, disjointed and rigid. With the United Nations approaching its seventieth anniversary, and in an effort to ensure the continued vitality and efficiency of our Organization, we mandated a highly qualified and experienced independent expert panel to review the process and make suggestions for improvement.

The experts were required to meet four criteria: (a) a high level of authority and competence on budgetary/financial matters in international organizations; (b) solid knowledge of the United Nations programme planning and budgetary process; (c) geographical diversity; and (d) independence. No member of the expert panel could be a staff member of the United Nations Secretariat or represent the Government of a State Member of the United Nations. We were very privileged to appoint panel members who met those criteria, bringing with them long-standing experience and broad expertise: Conrad S.M. Mselle (Tanzania) as Chair of the expert panel; Juan Luis Larrabure (Peru), Romesh Muttukumaru (Sri Lanka) and Warren Sach (United Kingdom) as members; and Khushali Parikh Shah as the panel's executive secretary.

In its report, the expert panel scrutinized the current process, examined its shortcomings and made 26 recommendations for improvement. It divided its

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26 recommendations into two categories: short-term proposals, which could be implemented relatively easily; and long-term proposals, which would require more substantial debate among States Members of the United Nations. Overall, we believe that the recommendations, if implemented, would greatly improve the current process, and therefore endorse the report as a whole. The full version of the report is available from www.unbudgetprocess.net.

We trust that the report and its recommendations will be of interest to the wider membership and would appreciate if the present letter and its annex could be circulated as a document of the sixty-ninth session of the General Assembly, under agenda items 122, 130 and 132.

(*Signed*) Paul **Seger**
Ambassador
Permanent Representative

Annex to the letter dated 12 September 2014 from the Permanent Representative of Switzerland to the United Nations addressed to the Secretary-General

Executive summary of the independent expert panel report entitled "Because process matters: groundwork for a reform of planning and budgeting at the United Nations"

The report was prepared by a panel of experts appointed by nine States Members of the United Nations to review the United Nations programme planning and budgetary process relating to the regular budget. The review covered, inter alia, the programme planning and budget cycle and its format and structure; the effectiveness of General Assembly resolutions 41/213 and 42/211; the roles of the Advisory Committee on Administrative and Budgetary Questions, the Fifth Committee, the Committee for Programme and Coordination and various subsidiary bodies; and other related matters. The panel, the composition of which is indicated in the introduction to the report, held sessions in New York in December 2013 and in February, March, May and June 2014.

The panel's recommendations fall into two main categories: those to be implemented in the short term to address the current planning, programming and budgetary procedures and structures; and those to be implemented in the long term. These recommendations, such as those concerning the strategic framework and the proposed programme budget, would involve considerable streamlining of current documentation to make the process less cumbersome. In conjunction with streamlining planning and budgetary instruments, the panel calls for an immediate review of the Advisory Committee on Administrative and Budgetary Questions and improvement in the way the Committee for Programme and Coordination carries out its functions of reviewing the strategic framework and, in particular, its role in ascertaining the extent to which the intergovernmental machinery discharges the strategic framework review function set out in the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (programme planning regulations and rules).

For long-term implementation, the second set of recommendations, a complete revamping of the current process is recommended, including elimination of the current single planning document (i.e., the strategic framework); integration of planning preparation with budget preparation; integration of financial performance reports with programme performance reports; the merging of the current programme planning regulations and rules with the current Financial Regulations and Rules; proposals to deal with currency fluctuations; and proposals for separating financial arrangements for special political missions from other regular budget provisions. It is also proposed that a new expert advisory body, the advisory committee on budgets and programmes, be established to perform the current functions of the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination by reviewing programmes and budgets in an integrated manner. These proposals, if implemented, would considerably streamline the current processes, including documentation, and would ultimately shorten the current planning and budgetary cycle by at least two years. This change would not, in any way, compromise the principle that Member States be fully

involved in the planning and budgetary process from its beginning to its end. The panel wishes to emphasize that the designation of a recommendation as long term does not prevent the support group from promoting it for immediate implementation.

The panel's recommendations are summarized below.

Programme planning process of the United Nations

Strategic framework and programme budget (paragraphs 54, 56-58)

Short term

1. Modify part one of the strategic framework by, inter alia, deleting section II.
2. Shorten the strategic framework and programme budget documents by redesigning and reducing statements of overall orientation, strategy, expected accomplishments, and indicators of achievement.
3. Eliminate the inclusion of performance measures in budget fascicles.

Long term

4. Discontinue the strategic framework and replace it with an integrated programme and budget.
5. Discontinue separate programme performance reporting, integrating this information into financial performance reporting.

Regular budget process of the United Nations

Budget outline (paragraph 71, short term)

6. Reconfigure the budget outline to use the first revised appropriations (instead of the initial appropriations) to establish preliminary resources for the outline for the next biennium.

Annual vs. biennial budgeting (paragraph 75, short term)

7. Retain the current biennial cycle for the regular budget.

Contingency fund (paragraph 83, short-term)

8. Critically review the use and operation of the contingency fund.

Limited budgetary discretion and transfer of credits (paragraph 86, short term)

9. Critically review the experiment with limited budgetary discretion.

Budget levels and growth (paragraph 93)

Short term

10. Consider presenting special political mission budget provisions separately from other regular budget provisions.

Long term

11. Consider establishing a separate account for special political missions.

Managing currency fluctuations and inflation (paragraph 103, short-term)

12. Consider an option to assess Member States in three currencies (United States dollars, Swiss francs, and euros), based on the previous year's expenditure pattern.

The post system (paragraph 106, short-term)

13. Request the Secretary-General to examine the current post-approval process and provide options for submitting estimates for staff costs, to be approved en bloc for the General Service and Professional (P-1 to P-5) categories, while retaining the current approval process for individual posts at the D-1 level and above.

Presentation of special political mission and peacekeeping budgets (paragraph 112, short-term)

14. Request the Secretary-General to submit a mock-up of a revised presentation for peacekeeping and special political mission budgets for review by the Advisory Committee on Administrative and Budgetary Questions.

Treatment of extrabudgetary resources and information (paragraphs 116-117, short-term)

15. The strategic framework and programme budget documents should exclude information on extrabudgetary programmes and funding for programmes such as those for the United Nations Environment Programme, the United Nations Human Settlements Programme, the Office of the United Nations High Commissioner for Refugees, the United Nations Relief and Works Agency for Palestine Refugees in the Near East and the United Nations Office on Drugs and Crime.

16. The Secretary-General should undertake a review of the adequacy of reimbursement to Secretariat departments and offices for managing extrabudgetary funds and ensure that receipt of those funds is not distorting priorities set by Member States.

Member States and the intergovernmental machinery

Committee for Programme and Coordination and subsidiary bodies (paragraphs 128-129)

Short term

17. Employ a higher level of expertise in the Committee for Programme and Coordination, which should also pursue vigorously the implementation of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, especially regulation 4.8, by United Nations subsidiary bodies.

Long term

18. Combine the functions of the Committee for Programme and Coordination with those of the Advisory Committee on Administrative and Budgetary Questions in a new advisory committee on budgets and programmes, which would review programmes and budgets in an integrated manner.

Advisory Committee on Administrative and Budgetary Questions (paragraphs 134-135, short-term)

19. Conduct a comprehensive review of the Advisory Committee to include term limits, qualifications, and a supplementary code of conduct.

20. Strengthen the Advisory Committee secretariat with additional qualified staff, including a highly qualified Executive Secretary with excellent drafting skills.

Fifth Committee (paragraphs 143-145, short-term)

21. Prepare a document for Fifth Committee delegates that explains the Committee's working methods.

22. The Fifth Committee should review the issue of late submission of documentation.

23. During budget years, the budget should be presented to the Fifth Committee much earlier than currently is presented, without waiting for the conclusion of the General Debate.

Fifth Committee/Advisory Committee on Administrative and Budgetary Questions Coordination (paragraph 147, short-term)

24. Conduct regular joint planning meetings between the Bureau of the Fifth Committee and the Chair and Executive Secretary of the Advisory Committee on Administrative and Budgetary Questions with relevant United Nations Secretariat staff dealing with reports and documentation processing.

Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation

(paragraphs 150-151)

Short term

25. Update and clarify the programme planning regulations and rules.

Long term

26. Integrate the programme planning regulations and rules and the Financial Regulations and Rules into one set of programme and financial regulations and rules.